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Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations

Financing of the United Nations Logistics Base at Brindisi

Report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the reports of the Secretary-General containing the financial performance report for the United Nations Logistics Base at Brindisi for the period from 1 July 2000 to 30 June 2001 (A/56/760) and the proposed budget for the Logistics Base for the 12-month period from 1 July 2002 to 30 June 2003 (A/56/871). During its consideration of the reports, the Advisory Committee met with representatives of the Secretary-General, who provided additional information.

2. The United Nations Logistics Base at Brindisi (UNLB) has been operational since late 1994, carrying out tasks relating to the maintenance of two mission start-up kits in a state of readiness for deployment at short notice, offering services directly related to assets management, including the refurbishment, maintenance and storage of serviceable assets from field missions under liquidation, as well as providing communications support to the United Nations, to peacekeeping operations and missions worldwide, and to several specialized agencies through the global satellite network.

Financial performance for the period from 1 July 2000 to 30 June 2001

3. As indicated in paragraph 3 of the performance report (A/56/760), the General Assembly, in its resolution 54/278, approved the cost estimate of $9,317,400 for the financing of UNLB for the period 2000-2001. The General Assembly also decided to apply the unencumbered balance of $451,800, the interest income of $114,000 and the miscellaneous income of $1,166,000 ($1,731,800 in total) for the period from 1 July 1998 to 30 June 1999 to the resources required for the period from 1 July 2000 to 30 June 2001 and to prorate the remaining balance of $7,585,600 among the individual active peacekeeping operation budgets to meet the financing

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requirements of the Logistics Base during the period 2000/01. Those amounts, as reflected in the respective performance reports of each individual mission, are shown in table 1 of document A/56/760.

4. As indicated in paragraph 13 of the performance report, expenditure for the period 2000/01 amounted to $7,755,000, including unliquidated obligations of $2,373,900. The unencumbered balance of $1,562,400 resulted mainly from variances in civilian personnel costs, operational requirements and staff assessment. The Committee was informed that unliquidated obligations had been further reduced to $669,750 as at 31 December 2001.

5. The unutilized balance of $851,600 for civilian personnel costs was due mainly to an average vacancy rate of 29 per cent among international staff and the effect of fluctuations in exchange rates on local salaries. As indicated in paragraph 1 of annex II to the performance report, the high vacancy rate was due to delays in recruitment arising from difficulties in attracting qualified staff to the duty station and to the absence of staff on temporary assignment to missions. The Committee recalls that the staffing component authorized for the period 2000/01 included 23 international posts (10 Professional and 13 Field Service) and 83 locally recruited staff.

6. The Committee sought clarification as to the difficulties that, according to the Secretariat, were experienced in attracting qualified staff to the duty station. It was informed that the difficulties are mainly attributable to the fact that no post adjustment is added to the base salary of staff at Brindisi and to the fact that although UNLB is designated a "family" duty station, capabilities for educating children in languages other than Italian are limited.

7. The Committee enquired about the possibility of resorting to the use of national professional officers in the operation of UNLB. The Committee was informed during its deliberations that provisions of General Assembly resolution 49/223 impose certain restrictions on the use of national professional officers. **The Committee points out in this connection that the Secretariat's interpretation of the provisions of General Assembly resolution 49/223 does not appear to be either accurate or relevant to UNLB operations and activities. It is the view of the Advisory Committee that these provisions of the resolution are applicable more appropriately to peacekeeping operations in the field than to support activities such as those undertaken by UNLB. The Committee points out that experience of the United Nations funds and programmes, as well as of United Nations information services, shows that national professional officers can be extensively used in many positions that do not require policy or senior management responsibilities.**

8. The Committee sought information on the total number of work-months during which UNLB staff members were temporarily assigned to other missions and on the reasons for the assignments. The Committee was informed that staff were assigned to assist with the start-up of new missions and/or provide technical support or assistance (e.g., Field Assets Control System implementation, mechanical expertise, general technical expertise and training) during the period from 1 July 2000 to 30 June 2001. For the period from 1 July 2000 to 30 June 2001 staff were on temporary duty assignment for a total of 36.8 work-months, and as at 31 March the total for the period from 1 July 2001 to 30 June 2002 was 8 work-months.

9. Information on incoming and outgoing shipments and on the number of receiving and inspection reports is contained in paragraphs 5 and 6 of the performance report. The Committee was also provided, upon request, with the following statistics for the period from 1 July 2001 to 31 March 2002:

(a) 836 receiving and inspection reports;

(b) 293 outgoing shipments valued at $59,716,816 weighing 5,044,360 kilos;

(c) 663 incoming shipments valued at $64,042,062 weighing 3,891,900 kilos.

10. The Advisory Committee notes from paragraph 12 of the performance report that the Logistics Base is increasingly involved in providing air support to peacekeeping missions; as indicated therein, the Logistics Base used eight IL-76 fixed-wing aircraft, provided to the United Nations Organization Mission to the Democratic Republic of the Congo (MONUC) under letters of assist, for the transport of large quantities of goods between the Logistics Base and the United Nations Mission in Sierra Leone (UNAMSIL), MONUC and the United Nations Mission in Ethiopia and Eritrea (UNMEE), as well as for transport services to the United Nations Truce Supervision Organization (UNTSO), the United Nations Interim Administration Mission in Kosovo (UNMIK), the United Nations Mission in Bosnia and Herzegovina (UNMIBH), the United Nations Transitional Administration in East Timor (UNTAET) and the International Civilian Support Mission in Haiti (MICAH). The Committee was also informed, upon enquiry, that the feasibility of using the Logistics Base for other air support services, including troop emplacement, troop rotation and medical evacuation, is being considered. **The Committee welcomes this development and requests that the next budget performance report contain information on the funding and management of air support services at UNLB. The Committee also urges the Secretariat to explore opportunities for closer cooperation and collaboration with United Nations funds and programmes in using air assets to mutual benefit.** In this connection, the Committee was informed that discussions on this matter are under way with the World Food Programme.

11. **The Committee trusts that as the Logistics Base expands its operations it can avoid the cumbersome processes and inefficiencies that have sometimes been experienced. The Committee was informed, for example, that in processing the transfer of assets from missions under liquidation, delays often occurred because of protracted discussions about which account should bear the cost involved. The Committee was also informed that it may be necessary to perform more than one receipt inspection in the context of trans-shipment activities — to report once at UNLB and then again at a receiving mission when assets arrive from vendors. Another potential source of delays would be inter-mission invoice activities, about which the Board of Auditors and the Advisory Committee on Administrative and Budgetary Questions have commented extensively in the past in connection with the mutual billing activities of the United Nations and its funds, agencies and programmes.**

12. **The Advisory Committee recommends acceptance of the Secretary-General's proposal contained in document A/56/760, paragraph 15, to apply the unencumbered balance of $1,562,400, interest income of $323,000, other/miscellaneous income of $35,000 and savings on or cancellation of prior**

period obligations of $285,000 to the resources required for the period from 1 July 2002 to 30 June 2003.

Cost estimates for the period from 1 July 2002 to 30 June 2003

13. Estimated requirements of $16,178,400 gross ($14,796,300 net) are proposed for the maintenance of the Logistics Base for the period from 1 July 2002 to 30 June 2003. This represents an increase of $7,195,800 in total gross resources (80.1 per cent) in relation to the apportionment for the period from 1 July 2001 to 30 June 2002. As indicated in paragraph 3 of the report of the Secretary-General on the proposed budget for the Logistics Base (A/56/871) the increase reflects post and non-post resources required to undertake the increased level of activities arising from the revised concept of operations for the Logistics Base.

14. Section II of the report on the proposed budget, entitled "Revised concept of operations", provides information on the role of UNLB, which, in addition to its current main functions, would include responsibilities for managing and maintaining the reserve of strategic deployment stocks, subject to the approval by the General Assembly of the concept proposed in the Secretary-General's report on strategic deployment stocks (A/56/870). **The Advisory Committee points out that what is actually happening is an expansion of the scope of operations to accommodate strategic deployment stocks, rather than a fundamental change in the concept of responsibility. The Advisory Committee notes that in the Secretary-General's report on the proposed budget for UNLB, strategic deployment stocks activities at the Logistics Base are proposed to be established as a separate programme. The Advisory Committee is of the opinion that additional functions and activities related to strategic deployment stocks should be integrated into the existing programmes of UNLB. A number of its comments and recommendations in the paragraphs below reflect this view.**

15. The Advisory Committee notes a slight improvement in the presentation of the programmatic part of the proposed budget for UNLB. For example, table 2 and supplementary information in annex I.D to the proposed budget provide a breakdown of resources by programme. **The Committee is of the view, however, that the presentation should be further improved; consistent with what is stated in paragraph 14 above, the strategic deployment stocks, subject to approval by the General Assembly, should no longer be presented as a separate programme. Moreover, supplementary information in annex I.D to the budget document should be presented in a comprehensive manner, reflecting objectives, resources, staff and non-staff costs, and outputs.**

16. The proposed staffing requirements for UNLB provide for the establishment of 80 new posts, including 33 (5 international and 28 local) for the six programmes of the Logistics Base and 47 (13 international and 34 local) for the strategic deployment stocks. The table below provides a breakdown of the additional posts by grade and programme.

Programme	*D-1*	*P-4*	*P-3*	*Field Service*	*Local*	*Total*
Administration	-	1	-	2	10	13
Supply/trans-shipment	-	-	-	-	7	7
Training	-	-	-	-	-	-
Maintenance of assets and facilities	-	-	-	-	6	6
Communications/electronic data processing	-	-	-	-	5	5
Air operations	-	-	1	1	-	2
Strategic deployment stocks	1	6	3	3	34	47
Total	**1**	**7**	**4**	**6**	**62**	**80**

17. With regard to the 33 additional posts for UNLB functions, the Committee notes from paragraph 9 of the Secretary-General's report (A/56/871) that "the Logistics Base has continued to witness a surge in its activities and responsibilities aimed at providing various services to all peacekeeping missions. These activities will continue to expand during the budget period. It is therefore proposed that additional core posts be established for functions that are of a continuing nature." **The Committee points out that the staffing proposal for UNLB functions should have been substantiated by workload statistics. Moreover, the separate presentation of the 47 posts proposed for strategic deployment stocks makes it difficult to understand the relationship between workload involved in strategic deployment stocks activities and existing workload entailed by the other functions carried out in the various units described in paragraphs 3-50 of annex I.D to the Secretary-General's report.**

18. The Committee was informed that the proposal for additional posts for "core" UNLB functions represents a conversion of work-months previously funded from general temporary assistance into 28 established local posts; there is also a proposal for one additional P-4, one P-3 and three Field Service posts. The Advisory Committee was further informed that requirements for local staff, related to the Base's "surge" support to missions, are currently charged to mission budgets as general temporary assistance. According to the Secretariat, this category of expenditure totalled $872,495 during the period from 1 July 2000 to 20 June 2001, broken down as follows in United States dollars:

United Nations Observer Mission in Angola	261 524.40
MONUC	253 965.50
UNAMSIL	93 202.40
UNMIK	71 485.60
UNTAET	32 520.10
United Nations Mission of Observers in Tajikistan	120 718.50
UNMEE	39 078.40

19. However, the Committee was informed, upon enquiry, that the establishment of the 28 posts would result in an increase of $1,102,200 in civilian personnel costs in the UNLB budget. **The Committee is not convinced that a case has been made for changing the current mechanism of financing the "surge" activities of UNLB. Therefore, the Committee does not recommend approval of the additional 28 local posts. Moreover, the Committee did not find adequate justification for the additional P-4 post requested for administration and therefore recommends against it. However, the Committee recommends the establishment of one P-3 and one Field Service post for air operations and two Field Service posts for administration (for a finance officer and a security officer).**

20. With regard to the 47 additional posts proposed for the strategic deployment stocks, the Committee points out that the Secretariat arrived at this number based on the assumption that the strategic deployment stocks would be established and maintained for one complex and one traditional mission. The Committee, in paragraph 26 of its report (A/56/902), recommends that the General Assembly endorse the concept and implementation of the strategic deployment stocks for one complex mission only. The Committee was informed, upon enquiry, that the cost of maintenance of the strategic deployment stocks for one complex mission, including staff costs, is estimated at $1,654,400 for the budget period 2002/03, which would provide for 40 additional posts (13 international and 27 local), broken down by grade and organizational unit as follows:

	D-1	*P-4*	*P-3*	*Field Service*	*Local*	*Total*
Chief Administrative Officer	1	-	-	-	-	1
Office of the Chief Logistics Officer*	-	-	1	-	2	3
Personnel and Travel Section	-	-	-	-	2	2
Finance Section	-	1	-	-	3	4
Procurement Section	-	1	-	-	4	5
Engineering Section	-	1	-	-	-	1
Transport Section	-	1	-	3	4	8
Supply and Property Management Section	-	1	2	-	12	15
Electronic Support Services Section	-	1	-	-	-	1
Total	**1**	**6**	**3**	**3**	**27**	**40**

* In addition, a P-5 post currently assigned to the Chief Administrative Officer is proposed for redeployment to this Office.

21. **The Committee finds the presentation of a request for a new D-1 post for the Chief Administrative Officer at UNLB, as proposed in paragraph 6 of annex I.D to the Secretary-General's report on the proposed budget, with the simultaneous proposed redeployment of the existing P-5 Chief Administrative Officer post for a chief logistics officer (see paragraph 53 of annex I.D to the Secretary-General's report) to be unnecessarily complicated and confusing. The Committee is therefore treating the request in paragraph 6 of the**

Secretary-General's report as a post reclassification from the P-5 to the D-1 level and the proposal in paragraph 53 as a request for a new P-5 post. On this basis, the Committee has no objection to the reclassification of the P-5 post of the Chief Administrative Officer of UNLB to the D-1 level and to the establishment of a P-5 post for a chief logistics officer.

22. **In addition, there are several other new posts proposed for establishment at a higher level for functions that already exist and are currently being carried out at a lower level. For example, five out of six P-4 posts requested for strategic deployment stocks are proposed for sections currently headed by staff at the P-3 level (Finance, Procurement, Engineering, Supply and Property Management and Electronic Support Services). Since, in the opinion of the Committee, the case for additional staff in those areas has not yet been made, the Committee regards these five proposals as requests for reclassifications of the existing posts only, and on that basis has no objection to reclassification. It requests that, in future, established budget practice for the presentation of requests be maintained.**

23. **The Advisory Committee also recommends the establishment of one P-4 post for a chief of the Transport Section, one P-3 post in the Office of the Chief Logistics Officer, two P-3 posts in the Supply and Property Management Section, three Field Service posts in the Transport Section and 12 Local posts to be assigned to priority areas of UNLB operations. Thus, the Advisory Committee's recommendations on staffing requirements of UNLB relating to strategic deployment stocks for one complex mission are as follows: 20 new posts (one P-5, one P-4, three P-3, three Field Service and 12 local) and six upward reclassifications (one D-1 and five P-4). The Committee stresses that its recommendations with regard to the new posts for strategic deployment stocks should at this stage be considered provisional, and the need for their continuation should be justified in the next budget submission for UNLB.**

24. Paragraph 4, of the Secretary-General's report on the proposed budget outlines the action to be taken by the General Assembly at its fifty-sixth session. **Taking into account the comments, observations and recommendations above, the Advisory Committee recommends that the General Assembly approve the cost estimates for the UNLB in the amount of $14,293,200 gross ($13,216,200 net) for the period from 1 July 2002 to 30 June 2003.**